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INFO OCT-01 IO-14 ISO-00 SWF-02 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02

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TO SECSTATE WASHDC 7058

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

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E.O. 11652: N/A

TAGS: PGOV, E-AID, EEC

SUBJECT: EC COUNCIL OF MINISTERS MEETING (DEVELOPMENT)

JUNE 13, 1974 (LUXEMBOURG)

REF: EC BRUSSELS 2614

1. SUMMARY: THE EC COUNCIL OF MINISTERS (DEVELOPMENT) ON JUNE 13 DEALT WITH THREE ITEMS: THE EC CONTRIBUTION TO THE UN EMERGENCY FUND FOR THE MOST LIMITED OFFICIAL USE

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AFFECTED COUNTRIES, A COMMISSION MEMORANDUM ON A

FRAMEWORK FOR COMMUNITY AID, AND A COUNCIL RESOLU-TION REGARDING COMMUNITY AID TO NON-ASSOCIATED COUNTRIES. EIGHT OF THE MEMBER STATES AGREED TO COMMITTING THE COMMUNITY TO A \$500 MILLION CONTRI-BUTION TO THE UN FUND. GERMANY RESERVED, BUT THE FEELING WAS THAT GERMANY WOULD AGREE AT A COUNCIL OF MINISTERS MEETING ON JUNE 25. THE UK WAS DISSAPOINTED WITH THE COMMISSIONS MEMO-RANDUM ON A FRAMEWORK FOR AID BECAUSE IT DID NOT SPECIFY THE AMOUNT OR PERCENTAGE OF COMMUNITY AID THAT WOULD GO TO NON-ASSOCIATES. EIGHT MEMBER STATES AGREED TO A COUNCIL RESOLUTION ON AID TO NON-ASSOCIATES. THE FRENCH RESERVED. THE COUNCIL DECIDED TO POSTPONE UNTIL ITS NEXT MEETING POINTS ON FOOD AID AND PREPARATION FOR THE WORLD FOOD CONFERENCE. A FURTHER DEVELPMENT COUNCIL MEETING WILL BE HELD IN JULY. END SUMMARY.

2. THE FIRST ITEM ON THE COUNCIL AGENDA WAS AN EC RESPONSE TO UN SECRETARY GENERAL WALDHEIM'S REQUEST FOR CONTRIBUTION TO A UN EMERGENCY FUND TO AID THE COUNTRIES MOST AFFECTED BY THE RISE IN ENERGY PRICES. THE EC COMMISSION HAD PROPOSED CONTRIBUTING \$500 MILLION (THE "CHEYSSON FUND"). ALTHOUGH THERE WERE NUANCES, ALL THE DELEGATIONS EXCEPT THE GERMANS (WHO RESERVED) WERE IN AGREEMENT ON AN IMMEDIATE AND POSITIVE RESPONSE TO WALDHEIM COMMITTING THE COMMUNITY TO CONTRIBUTING \$500 MILLION TOWARD A GLOBAL OBJECTIVE OF A \$3 BILLION FUND. THE BASIC GERMAN OBJECTION WERE THAT (A) THE COMMISSION WAS NOT CLEAR ON HOW THE FUND WOULD BE FINANCED AND (B) IF IT WERE TO BE FINANCED FROM A SUPPLEMENTARY BUDGET, THE GERMAN CABINET WOULD HAVE TO AGREE. THE GERMAN DELEGATION SAID THE COMMISSION SHOULD MAKE THE MEANS OF FINANCING CLEAR AND A DECISION COULD BE TAKEN AT THE COUNCIL OF FOREIGN MINISTERS MEETING ON JUNE 25.

3. DAVIGNON (BELGIUM), ON LEAVING THE LIMITED OFFICIAL USE

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MEETING FOLLOWING THE AGENDA ITEM, COMMENTED THAT THE COUNCIL HAD MADE GOOD PROGRESS. EIGHT COUNTRIES HAD AGREED ON THE PRINCIPLE OF CONTRIBUTING \$500 MILLION AND THAT THE MONEY SHOULD BE GIVEN BY THE COMMUNITY AS SUCH. HE MINIMIZED THE IMPORTANCE OF THE 12 DAY DELAY AND APPEARED TO ASSUME THAT THE GERMANS COULD AGREE ON JUNE 25.

4. THE SECOND ITEM THE COUNCIL DISCUSSED WAS A COMMISSION MEMORANDUM ON A FRAMEWORK FOR COMMUNITY AID OVER THE NEXT FIVE YEARS. JUDITH HART (UK) SAID SHE WAS DISSAPOINTED THAT THE MEMORANDUM DID NOT QUANTIFY THE PERCENTAGES OR AMOUNTS OF AID THAT WOULD BE GIVEN TO NON-ASSOCIATED COUNTRIES NOR MAKE RECOMMENDATION REGARDING AID TO NON-ASSOCIATES. SHE STRESSED THE IMPORTANCE OF THIS ISSUE IN THE CONTEXT OF UK RENEGOTIATION. SHE ALSO SAID THAT BRITAIN CANNOT AGREE ON EUROPEAN DEVELOP-MENT FUND COMMITTMENTS (NOR. PRESUMABLY, COMMITTMENTS TO THE MAHGREB COUNTRIES) UNTIL AGREEMENT IS REACHED ON AN OVERALL AID FRAMEWORK. THE DUTCH AND THE DANES SUPPORTED HER. THE CONCLUSION ON THIS POINT WAS THAT THE COUNCIL WOULD TAKE NOTICE OF THE MEMORANDUM AND COME BACK TO IT AT A LATER TIME. THE PERM REPS WERE INSTRUCTED TO FOLLOW THE MATTER CLOSELY.

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5. THE THIRD AGENDA ITEM WAS A DRAFT COUNCIL RESOLUTION CONCERNING COMMUNITY AID TO NON-ASSOCIATES. THIS RESOLUTION HAS BEENUNDER DISCUSSION BY THE COUNCIL SINCE MAY 1973. EIGHT DELEGATION AGREED, WITH THE FRENCH RESERVATION, ON A THREE-POINT RESOLUTION WHICH INDICATES COUNCIL AGREEMENT, IN PRINCIPLE, THAT (A) THE EC WILL GIVE AID TO NON-ASSOCIATED COUNTRIES, (B) THE AMOUNT AND MODALITIES OF SUCH AID WILL BE DECIDED UPON IN THE FUTURE, AND (C) PRIORITY IN THE EC AID PROGRAM WOULD, LIMITED OFFICIAL USE

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HOWEVER, BE GIVEN TO ENGAGEMENTS TO BE NEGOTIAITED WITH THE ASSOCIATED STATES.

6. THERE WAS AGREEMENT TO A REQUEST OF MRS. HART
THAT THE COMMISSION WOULD PREPARE A SERIES OF
ESTIMATES OF ALTERNATIVE AMOUNTS OF AID THAT MIGHT
BE GIVEN TO ASSOCIATES AND NON-ASSOCIATES IN THE
CONTEXT OF VARIOUS HYPOTHETICAL GLOBAL PROGRAMS.
MRS. HART TOLD THE PRESS THAT THE UK AGREED ON THE
RESOLUTION BECAUSE IT IS WORDED IN SUCH A WAY THAT
PRIORITY GIVEN TO ENGAGEMENTS WHICH WILL BE NEGOTIIATED
WITH THE ASSOCIATED STATES ASSUMES PRIOR AGREEMENT
BY THE COUNCIL ON A EUROPEAN DEVELOPMENT FUND PROGRAM,
WHICH IN TURN WILL FOLLOWCOUNCIL AGREEMENT ON A
FRAMEWORK FOR A GLOBAL PROGRAM.

7. THE COUNCIL AGREED TO PUT OFF UNTIL THE NEXT SESSION OF DEVELOPMENT MINISTERS THE AGENDA POINTS ON FOOD AID AND PREPARATIONS FOR THE WORLD FOOD CONFERENCE. AT THE REQUEST OF MRS. HART, PIERRE ABELIN, THE FRENCH COOPERATION MINISTER, WHO TAKES OVER THE PRESIDENCY OF THE DEVELOPMENT COUNCIL ON JULY 1, AGREED TO CALL THE DEVELOPMENT COUNCIL MEETING BEFORE THE HOLIDAYS (PROBABLY JULY 16).

8. THE COUNCIL PASSED POINT A ITEMS REGARDING TEMPORARY DUTY SUSPENSION ON MACKEREL AND FRESH ORANGES (SEPTEL) AND MODIFIED EC RULES ON DUTY SUSPENSION ON CERTAIN TURKISH AGRICULTURAL PRODUCTS. IT ALSO APPROVED RULES REGARDING PUBLICIZING THE OPINIONS OF THE ECONOMIC AND SOCIAL COUNCIL IN THE

OFFICIAL JOURNAL.

9. COMMENT: OBSERVERS NOTED BOTH THE APPARENT LACK OF HARD POSITION BY THE FRENCH DLELGATION AND THEIR INCREASING FLEXIBILITY ON ISSUES THAT THEY HAD BEEN STICKY ON IN THE PAST. ALTHOUGH THE FRENCH DID NOT AGREE TO THE RESOULUTION ON COMMUNITY AID TO NON-ASSOCIATES (PARA 5 ABOVE), THEY RESERVED RATHER THAN OBJECTED. THIS MARKED CONSIDERABLE MOVEMENT FROM THEIR PREVIOUS POSTIION AND SOME CONSIDERED IT LIMITED OFFICIAL USE

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A GOOD OMEN FOR OTHER COMMUNITY POLICIES.GREENWALD

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